

TALBOT ADVANCED TECHNOLOGIES SUPPLIER / VENDOR TERMS AND CONDITIONS

DEFINITIONS

“Talbot” means Talbot Advanced Technologies Limited, a New Zealand corporation.

“Order” means the Talbot Advanced Technologies purchase order provided to Vendor, to which these terms of trade are incorporated and apply.

“Terms” means these Standard Vendor Terms of Trade.

“Supplier” means the seller named in the Order, where Supplier supplies goods and/or services pursuant to the Order.

ACCEPTANCE

Unless otherwise specifically agreed to in writing, the following terms and conditions shall apply to the Supplier's acceptance of Purchase Order and Talbot's acceptance of ordered items. The acceptance of the order by the Supplier shall be conclusive evidence of the Supplier's approval, consent, and agreement to the terms and conditions herein. Any terms and conditions listed on any Supplier documents which are in addition to or in conflict with these terms and conditions are objected to and shall not become part of this transaction. Any changes to the order must be agreed in writing by both parties, Talbot reserve the right at any time to make changes to drawings, specifications, place of delivery and alike. Any resulting change in price must also be agreed to in writing at the same time.

CONFIRMATION OF ORDER

The Supplier must acknowledge the order and notify Talbot, within a reasonable time frame, if the order will be fulfilled or not.

DELAY IN DELIVERY

If the Supplier becomes aware of any circumstances that are likely to cause a delay in delivery of the ordered item(s), the Suppliers will immediately notify Talbot in writing stating the reason for the delay and the updated delivery date. Upon receipt of this information, Talbot reserves the right to keep or cancel the purchase order without liability or penalty. Talbot also reserves the right to cancel a purchase order if the Supplier cannot meet the needs of an expedited purchase order.

QUALITY

The Supplier shall maintain a quality management system; preferably one that is approved by FAA, EASA or ISO9001 /AS9100, or which is acceptable and appropriate for the items supplied hereunder and shall comply with general industry standards. Items supplied shall meet the requirements of the applicable technical specifications and documentation (drawings, specifications, standards, etc.). It shall be the sole responsibility of the Suppliers to monitor that the technical specifications regarding materials, methods, form, fitness, and function are observed, whether or not the items have been manufactured by Supplier or by any of Suppliers subcontractors. If no specific requirements are stated, good industry and craftsman-like practice shall be observed. Items are to be manufactured in accordance with spares configuration guidelines.

Talbot reserve the right to review and approve the Vendor's Quality Management System. Standard QMS requirements include:

Vendor providing special processing must maintain a

system for validating processes.

Customer directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.

Special processes performed by qualified personnel.

Talbot may advise the Vendor where improvements are deemed necessary and the Vendor shall make these improvements or satisfy that the desired level of QA will be achieved by other means. The Vendor shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.

ETHICAL BEHAVIOUR

Suppliers and Vendors must observe the highest ethical standards and exercise proper judgment in all business dealings. This includes demonstrating respect for key moral principals including but not limited to: Honesty, fairness, equality and individual rights. Suppliers must have policies in place to mitigate the risk of modern slavery, as well as complying with any local, national or applicable law in its operational areas. Suppliers are obligated to report any suspected instances or allegations of modern slavery to Talbot. Failure to work towards full compliance on this could see the relationship terminated.

CERTIFICATION AND TRACEABILITY

In the interest of product traceability and identification, the Supplier shall be required to deliver product with suitable identification. Should such certification not accompany the shipment, items will be held in quarantine and no payment will be processed until the proper certification is received. Talbot reserves the right to be supplied with and/or audit such certification on all new items purchased. All raw material, machining, and processing certifications shall be supplied at no cost if requested. All Certifications and related documentation must be retained on file by Supplier for a period of at least seven (7) years after completion of this Purchase Order. The supplier should ensure all materials are authentic and a policy is in place to ensure counterfeit materials are not delivered.

LIABILITY

The Supplier is liable for all defects in items delivered, including concealed defects, even if they are recognisable and discovered only upon processing, installation, and/or use, and this is not subject to any time limit for claim by Talbot. The Supplier shall indemnify and hold Talbot harmless from all claims arising from infringement of industrial property rights, patents, copyrights and other third-party rights, and Supplier agrees that it will defend at its own expense any and all suits against Talbot for infringement of any patent, copyright, or other intellectual property right. Talbot has the option to reject nonconforming items. All rejected items will be returned at Suppliers' expense. In urgent cases or in the event of delay in supplying a replacement, Talbot shall, at the Suppliers' expense, have the right to remedy the defects, or to procure a replacement elsewhere. This shall not affect Talbot's statutory warranty and liability claims, which are in addition to those expressly set forth herein. The Supplier shall maintain Product Liability Insurance in a reasonable amount, and shall provide a Certificate of such insurance to Talbot upon request.

MATERIAL SAFETY DATA SHEET (M.S.D.S.)

If an M.S.D.S. is required for this material, the Supplier shall include one copy of the M.S.D.S., and it shall be identifiable and provided with each shipment of the items furnished under this order.

PAYMENT

All invoice payments will be issued no later than 30 days after the month of receipt and acceptance of items and payment terms. If the order requirements are not met, payment, including COD shipments, will be delayed a corresponding amount of time until such requirements are met.

PRICES

All prices are stated and shall stay firm during the entirety of the purchase order. In the event of a higher price occurring, Talbot must be contacted immediately to obtain written authorisation.

NONCONFORMING PRODUCT

Nonconforming items that result from this purchase order, whether produced through manufacturing process, or a product from overhaul/repair maintenance activity, shall be destroyed if they cannot be repaired. In a case where an item/product is found to be nonconforming after being sent to Talbot, the Supplier must notify Talbot immediately of the nonconforming item/product.

In the event that Talbot initiates a product recall, the Supplier shall provide reasonable and timely assistance to Talbot to enable Talbot to comply with its regulatory obligations with respect to the product recall.

RIGHT OF ENTRY

The Supplier hereby grants to Talbot, its customers, and any applicable regulatory agencies, the right to enter on its premises as well as other necessary places, during normal business hours, for the purpose of inspection of Supplier's facilities and systems to ensure Supplier's compliance with the terms and requirements of order, including the quality of the contracted work, records, and materials.

ASSIGNMENT

The Supplier shall not assign, sell, or subcontract this purchase order, or any part thereof, without Talbot's' prior written consent.

SUPPLIER FLOW DOWN

All supplier requirements mandated by Talbot must be flowed down to sub-tier suppliers.

SUPPLIER RECORDS

The Supplier/vendor shall maintain a documented procedure, maintaining and controlling Quality records in accordance with acceptable quality system standards. Upon request, Supplier/vendor shall be capable of retrieving and delivering required records to Talbot within 48 hours from time of request.

CONFIDENTIAL INFORMATION

Neither party shall, without first obtaining the others written permission, advertise, publish, or disclose the terms, details, pricing or specifications of this Order, the amount of revenue generated or to be generated from this Order, nor will either party communicate the fact that Seller has furnished or has contracted to furnish Talbot with the Goods or Services. Both parties agree to maintain in

confidence those materials and information either has designated as being confidential or proprietary information.

DELIVERY

Any delays to delivery shall be reported to Talbot. Talbot is not obligated to accept any early, late, partial or excess deliveries.

The Vendor is required to supply product that has a remaining shelf life of at least 75% of original life as of shipment date.

WARRANTY

Seller warrants that the Items covered by any PO will (i) conform to applicable specifications, instructions, drawings, data, Seller samples and other requirements of any PO; (ii) be merchantable, of good material and workmanship, free from defects and be fit and sufficient for the purpose intended; and (iii) be delivered free and clear of any liens or encumbrances. The foregoing warranties are in addition to all other warranties, whether express, implied or statutory and will survive delivery, inspection, acceptance and/or payment by Talbot.

If, (due to no fault of Talbot), any of the Items furnished by Seller do not meet the warranties specified herein or otherwise applicable, Talbot may within one (1) year after its acceptance of the Items (or for such longer period of time as the Items are normally warranted by Seller), at our option, require Seller to promptly repair, replace or refund the cost of all non-conforming Items at Suppliers sole cost and expense (including, without limitation, all transport costs). Any repaired Items shall incorporate the most recent engineering changes adopted by Supplier. These remedies are in addition to all other remedies at law or in equity or under any PO. All warranties/remedies run to Talbot and its customers.

TITLE, RISK AND INSURANCE

The Goods shall become the property of Talbot upon delivery to the Deliver Point specified on the order, or upon payment, whichever is earlier.

The Supplier shall bear the risk of loss or damage to the Goods until they are satisfactorily delivered to the Delivery Point specified on the order, and shall take out and provide any insurance it may consider necessary.

INSPECTION AND TESTING

Each Item is subject to inspection and test by Talbot (or its authorised contract manufacturer) prior to acceptance to verify conformance to specifications and material and workmanship requirements. Talbot has the right to reject or require correction of any Items that do not conform to the requirements of any PO, which Items shall be promptly replaced or corrected by Supplier at its sole expense. The making of payment will not prejudice Talbot right of rejection. Upon reasonable notice and at mutually agreeable times, the Supplier shall permit Talbot to conduct source inspections and/or testing on Suppliers' premises and Supplier shall provide Talbot inspectors with reasonable access to facilities and assistance at no additional charge. Source inspections may include participation by Talbot customers for the Items.

OTHER

Governing Law, New Zealand law shall govern these Terms. Vendor submits to the non-exclusive jurisdiction of New Zealand courts.